

Regular Session, 2009

HOUSE CONCURRENT RESOLUTION NO. 155

BY REPRESENTATIVE HARRISON

A CONCURRENT RESOLUTION

To urge and request the Louisiana Housing Finance Agency to develop a mortgage recovery plan providing for state management of troubled mortgages and requesting federal stimulus money to finance the plan, and to submit the plan to the United States Department of Housing and Urban Development.

WHEREAS, though Louisiana homeowners have not been as affected by the national housing finance crisis as homeowners in other states, many Louisianians are having trouble making their mortgage payments because of the declining value of their homes and because of the recession in the broader economy; and

WHEREAS, the federal government has made substantial monies available to assist states with various aspects of the economic crisis including housing finance challenges; and

WHEREAS, Louisiana should consider a plan under which the state, in cooperation with a private property management entity, assumes responsibility for troubled mortgages rather than having this responsibility assumed by out of state banks or federal government entities such as Fannie Mae or Freddie Mac; and

WHEREAS, upon assuming such loans, the state could present mortgagees with a number of options to help them regain their financial stability, which options could include keeping their home or selling it; and

WHEREAS, federal funds may be available to implement such a plan through the Helping Families Save Their Homes Act or other federal legislation aimed at dealing with the current financial crisis; and

WHEREAS, the Louisiana Housing Finance Agency is the appropriate agency to develop and submit such a plan and request for mortgage recovery funds.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request the Louisiana Housing Finance Agency to develop a mortgage recovery

plan providing for state management of troubled mortgages and requesting federal stimulus money to finance the plan, and to submit the plan to the United States Department of Housing and Urban Development.

BE IT FURTHER RESOLVED that the plan should provide for the state to take over troubled loans, for the state to enter a contract with a private company for the management of the program, and for homeowners to have options which include the following:

(1) A recovery mortgage under which the homeowner agrees to pay twenty-five percent of the mortgage principal over five years and then renegotiates a loan from a lending institution at the conclusion of the five years.

(2) A recovery lease agreement under which the homeowner turns over title to the home but leases the home from the state for a period of up to five years with lease payments being based on and applied to the outstanding principal on the home loan and after which the homeowner could remortgage the home.

(3) The homeowner turns the home over to the state and the state releases the homeowner from obligations under the previous mortgage.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the president of the Louisiana Housing Finance Agency.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE